

IOWA COLLEGE STUDENT AID COMMISSION
MINUTES OF MEETING
February 5, 2016
10:00 a.m.

Members Present:

Janet Adams	Michael Ash
Roger Claypool	Crystal Ford
Tedd Gassman	Frederick Moore
Katie Mulholland	Herman Quirmbach
Doug Shull	Jeremy Varner
Karolyn Wells	Cindy Winckler

Members Absent:

Amy Brace	Tedd Gassman
Tim Kraayenbrink	

Staff Present:

Todd Brown	Jethro DeLisle
Heather Doe	Jayna Grauerholz
Julie Leeper	Kris May
Karen Misjak	Julie Ntem
Christina Sibouih	Carolyn Small
Ashley Wendt	

AG Present:

Sara Scott

Guests Present:

Matt Brown	Iowa Student Loan
Angela Carlson	Capri College
MJ Dolan	Community College Trustees
Sue Huppert	Des Moines University
Annette Shaw	Capital Strategies
Melissa Stover	Banker's Trust

Call to Order

The Iowa College Student Aid Commission met for a regularly scheduled meeting on February 5, 2016. Commission Vice Chair Ford called the meeting to order at 10:03 a.m.

Executive Director's Report

Commission Vice Chair Crystal Ford, attended the memorial services for Tim Cole, a Commissioner that served on Commission for several years and was very passionate about the work of the Commission. She said that it was a nice service and his work on the Commission was shared as something he truly enjoyed.

Ms. Misjak said seven communities in Iowa have received a Planning Grant of up to \$10,000 and are utilizing training and technical assistance provided by Iowa College Aid. These grants are part of the College Access Challenge Grant that will be ending in 2016 and the funding provided to communities is from the federal grant. Ms. Misjak said this program is going very well and picking up momentum.

Last fall Iowa College Aid promoted three separate initiatives- Iowa College Application Campaign, FAFSA Completion Initiative and College Decision Day- as a statewide 3-Step Process to increase high school students' awareness of postsecondary opportunities. Ms. Misjak said the Commission is able to provide the schools with information on FAFSA completion and schools are able to work with families and students whom have not completed the FAFSA. College Decision Day will be held in April.

Ms. Misjak shared a video that Commission staff produced with the Sioux City Community School District highlighting the district's Career Pathway Academies.

Minutes of Meeting

Motion: Commissioner Shull moved to approve the meeting minutes for December 4, 2015 as written. Commissioner Wells seconded the motion which passed unanimously.

Legislative Committee Report

Commissioner Ash said the Commission's Legislative Committee has had a lot of discussion around the State Authorization Reciprocity Agreement (SARA). The main topic of conversation was consumer protection. Commissioner Ash said consumer protection appears to center around the collection of several documents. The second topic of concern is regional accreditation because all in-state public and private schools are accredited by the Higher Learning Commission. The third issue is state requirements. The Regent Universities answer to the Board of Regents. The

Community Colleges are overseen by the Iowa Department of Education. Commissioner Ash said all three steps are part of NC-SARA and he felt there is already plenty of oversight in place.

Commissioner Ash said the Legislative Committee was presenting two options to be considered. Option 1 was to take no action with respect to postsecondary registration rules for one year. Option 2 was to move the attached draft of the proposed rule which includes enhanced consumer protection language. Commissioner Ash stated the Commission could add a one-year stipulation to review these rules at that time. He felt there would be fewer changes by going with this option.

In response to a question from Commissioner Ford asking if all schools go through the same process, Ms. Leeper said there would be different requirements for currently exempt schools applying for NC-SARA. Commissioner Winckler noted that schools are voluntarily registering under the current rule and asked whether there has been push back on any of the requirements of the existing rule.

Commissioner Ash said if there are no other options to register for NC-SARA, schools have no choice but to register under the current rule. As a committee we are trying to look at NC-SARA and mainstream it.

Commissioner Winckler stated that the process currently in place is very clear what schools must provide to register in Iowa. She questioned why the two separate processes for registration are appropriate, one for SARA participation and one for all schools that must register. She felt it was very clear when the legislation was passed that the registration process was in place.

Commissioner Quirnbach commented that this process is not about accreditation and the HLC. He pointed out that to propose a change to the rules is a lengthy process that would take well into the spring and noted that schools that want to participate in SARA this year should probably go through the current process. He noted that entities subject to regulation often do not agree with the process. He said that there may not be any legal conflict of interest for Commissioners on this topic, but there may be a double standard. He pointed out that there was never any complaint of being too hard on out-of-state institutions when they registered in our state and now that the standards may apply to in-state institutions there are complaints about the process. He felt it would be inappropriate to enact a double standard along those lines.

Ms. Huppert from Des Moines University (DMU) spoke on behalf of the current process for NC-SARA registration and said that DMU has just completed the process. She said the current process is very simple to complete compared to registering in other states.

Ms. Dolan shared her support for the amended rules, or option 2 that has been brought before the Commission.

Commissioner Adams said there were no problems last year with joining NC-SARA and there were no issues raised by Community Colleges at that time. She felt the Commission should stay with the current rules.

Commissioner Ash stated that the Community Colleges are not the only entities with issues and other schools have also expressed concern. It may be different if there were schools with ongoing problems and concerns that need to be addressed by the Commission. He said it is disheartening to work this hard on rules and then hear from some that consumer protection is necessary for the rule to proceed. There are high standards set by all accreditation entities and accreditation must be demonstrated to participate in NC-SARA.

Commissioner Quirnbach said the Commission is not limited to requiring only what is required by NC-SARA and that there is a growing list of Iowa colleges that have closed. He also said that he did not feel that the Commission is exempt from addressing such issues, and the Commission must protect the reputation of Iowa colleges by setting and maintaining the highest standards. A single standard is what is needed for out-of-state and in-state schools and he felt that Option 1 would be best for Iowa students.

Motion: Commissioner Adams moved to adopt option 1 taking no action with respect to postsecondary registration rules for one year. Commissioner Ford seconded the motion. Motion failed with Commissioners Adams and Ford voting yes and Commissioners Shull, Ash, Wells, Claypool, Mulholland, Varner, and Moore voting no.

Motion: Commissioner Moore moved to adopt option 2 to propose the draft of the rule which includes enhanced consumer protection with the amendment to review this rule in one year. Commissioner Varner seconded the motion. Motion passed with Commissioners Shull, Ash, Wells, Claypool, Mulholland, Varner, and Moore voting yes and Commissioners Adams and Ford voting no.

Commissioner Moore asked what the next steps are in terms of final adoption and the Administrative Rules Committee. Ms. Leeper said the rule will be submitted as an Amended Notice of Intended Action and the timeline will begin again. After the comment period, staff will respond to the comments and will come back to the Commission with a recommendation for adoption.

Audit and Finance Committee Report

Commissioner Wells asked Ms. May to provide a report from the Audit and Finance Committee meeting. Ms. May said the committee reviewed the financials and fund balances. An update on the Partnership Loan Program, Request for Proposal, to sell

the portfolio has been extended to collect data on collection history of loans to answer questions from possible bidders. The due date for proposals is February 8, 2016.

Ms. May said the committee also reviewed projections that staff have been working on for the seven year financial model. Staff has been working on updating estimated budget numbers and the Great Lakes projections for closer accuracy of those estimated numbers and to help identify proposed cash projections.

ColorFX Contract Extension

Motion: Commissioner Mulholland moved to authorize the Executive Director to exercise the option of a one-year extension, not to exceed \$200,000 annually, for the Printing, Storage and Distribution Services master contract with Color FX. Commissioner Wells seconded the motion which passed unanimously.

Gold Bridge Partners Inc. Contract Extension

Motion: Commissioner Ford moved to authorize the Executive Director to exercise the option for a one-year extension of the State Scholarship, Grant and Loan Repayment Application and Processing System contract with Gold Bridge Partners, Inc. Commissioner Claypool seconded the motion which passed unanimously.

Bankers Trust Contract Amendment

Ms. Annette Shaw, BTC Capital Management, provided an overview of an amended investment policy for the GEAR UP Iowa 1.0 Scholarship Trust. She went over the changes to the investment policy.

Motion: Commissioner Shull moved to authorize the Executive Director to amend the contract for the GEAR UP Iowa 1.0 scholarship trust. Commissioner Wells seconded the motion which passed unanimously.

Strategic Plan Close Out

Commission staff gave a final report to close out the 2013-2015 Strategic Plan. Ms. Misjak said staff will be working on the next Strategic Plan in the coming weeks and Commissioners will be receiving a survey from Cindy Axne, our consultant, that will be used to create a SWOT Analysis in preparation of drafting the next Strategic Plan.

Commissioner Report

Commissioner Mulholland provided an update on behalf of the Board of Regents. She shared that they held a strategic planning workshop to begin the process of planning for the strategic direction the Board believes will prepare Iowa's public university students for the global economy. It was facilitated by Miller & Associates from Indianapolis, IN with many key stakeholders from around the state representing business, industry, education, and policy makers discussing changing demographics, higher education trends, and workforce trends that will help to inform their strategic plan for the next 5 years.

Following the success of the first *Annual Campus Safety & Security Summit* which was co-sponsored by the Regents, Community Colleges, and the Independent Colleges and Universities of Iowa, Commissioner Mulholland said the group is now in the planning stages for the next conference which will be held on October 26, 2016.

Commissioner Mulholland said during the next Board meeting at the end of February the Regents plan to provide an update on the progress on the Transparent Inclusive Efficiency Review known as TIER.

The Regents are in the process of establishing a Northeast Regional Academy in Charles City. Commissioner Mulholland said this pilot program will begin in fall of 2016 with the primary goals of the academy to increase proficiencies in math and reading through specialized services to deaf or blind students; increase opportunities for employment/post-secondary education; and to ensure a full continuum of equitable education services for Iowa's children who are deaf or blind.

In response to a question from Ms. Misjak, Commissioner Mulholland said an evaluator has been hired to review the transition and status of AIB and that she would be able to share more information at the May 2016 Commission Meeting.

Staff Reports

Ms. May provided an update of FY 2015 year-to-date financials.

Ms. Doe provided an overview of the 2015 Annual Report.

Commission adjourned at 12:36 p.m.


JANET ADAMS, CHAIR


CRYSTAL FORD, VICE CHAIR